disruptions.[10] Despite assurances from BellSouth to devote additional personnel to this process,[11] MediaOne has yet to see improvement.[12]

MediaOne's difficulties with regard to RCF primarily involve the ability to order these services in a timely manner. MediaOne and BellSouth have been employing a fax system for ordering RCF, however, this system has resulted in delays as long as 7 days in provisioning MediaOne's customers[13]. Also, BellSouth does not staff its UNE center on Saturdays to process MediaOne's requests for RCF (*Id.*). MediaOne's difficulties in this regard are aggregated by lack of attention from the BellSouth account manager assigned to MediaOne. The account manager assigned to MediaOne has proven difficult to contact and has not adequately informed BellSouth's operating personnel of the difficulties faces by MediaOne (*Id.*).

MediaOne is aware that the Commission recently issued an order on May 6, 1998, in Docket No. 7892-U establishing performance standard for BellSouth's provision of unbundled elements. However, as of this date, inadequate time has transpired for the CLECs to have any experience with BellSouth's success in implementing those performance standards. In fact, in its May 8, 1998, filing to amend the revised SGAT to reflect the Commission's order in Docket No. 7892-U, BellSouth stated that it would take 90-120 days to implement the requirements of the Commission's order. (May 8, 1998, Revised SGAT, Attachment L, p. ii). The performance standards and associated reporting requirements are intended to provide crucial information to the Commission and CLECs for evaluating BellSouth's performance. Until that information is made

---

[10] Appendix A, Armitage letter, May 1, 1998.

[11] Appendix A, Schaefer letter, May 6, 1998.

[12] Appendix A, Armitage letter, May 8, 1998.

[13] Appendix A. Armitage letter, May 8, 1998.

available by BellSouth, determinations of whether BellSouth provides services to CLECs at parity cannot be made.

In addition, MediaOne is currently experiencing difficulty providing service to apartment tenants in Multiple Dwelling Units ("MDUs"). BellSouth's policies and standard practices, which apparently are different from those followed by other RBOCs, treat Network Terminating Wire ("NTW") inside the MDU as regulated telephone plant. Inside wiring in an MDU typically begins at a common "service closet" and runs to each individual apartment. Because of the expense to run duplicate wire to each apartment, MediaOne is forced to obtain access to NTW from BellSouth. BellSouth and MediaOne have negotiated unbundled network element (subloop unbundling) rates for the purpose.[14] However, apart from the added cost of NTW access, MediaOne is concerned that BellSouth's control of NTW will result in customer inconvenience and other operational problems.[15]

BellSouth's policy treats the point of demarcation (the terminus of BellSouth's network) as occurring at the phone jack in each tenant's apartment. Under applicable FCC rules (47 C.F.R. §68.3), BellSouth has the discretion to consider the service closet to be the point of demarcation. Such a revised policy would remove the service quality and operational concerns of MediaOne. However, BellSouth has stated that it has no intention of revisiting this policy.[16] MediaOne's business plan anticipates entering over 200 MDUs in 1998 to make competitive local phone service available to at least 40,000 residential units.[17] BellSouth's discretionary NTW policy acts

---

[14] Appendix A. Schaefer letter, May 6, 1998.

[15] Appendix A, Armitage letters, May 1 and 8, 1998.

[16] Appendix A, Schaefer letter, May 6, 1998.

[17] Appendix A, Armitage letter, May 1, 1998.

as a barrier to competition thwarting MediaOne's efforts to serve those customers. BellSouth's decision to treat NTW as an unbundled network element thus is inconsistent with the goals of state and federal law to encourage the development of competition.

251 (c)(4) **Resale**.---The duty--

(A) **to offer for resale** at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers; and

(B) not to prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale of such telecommunications service, except that a State commission may, consistent with regulations prescribed by the Commission under this section, prohibit a reseller that obtains at wholesale rates a telecommunications service that is available at retail only to a category of subscribers from offering such service to a different category of subscribers.

MediaOne has no comment on this item.

251 (c)(5) **Notice of Changes**. The duty to provide reasonable public notice of changes in the information necessary for the transmission and routing of services using that local exchange carrier's facilities or networks, as well as of any other changes that would affect the interoperability of those facilities and networks.

MediaOne has no comment on this item.

251(c)(6) **Collocation**.---The duty to provide, on **rates, terms, and conditions that are just, reasonable, and nondiscriminatory**, for **physical collocation of equipment necessary for interconnection or access to unbundled network elements** at the premises of the local exchange carrier, except that the carrier **may provide for virtual** collocation if the local exchange carrier demonstrates to the State commission that physical collocation is not practical for technical reasons or because of space limitations.

MediaOne has no comment on this item.

251 (d)(2) **Access Standards**.--In determining what network elements should be made available for purposes of subsection (c)(3), the Commission shall consider, at a minimum, whether

(A) access to such network elements as are proprietary in nature is necessary; and

(B) the failure to provide access to such network elements would impair the ability of the telecommunications carrier seeking access to provide the services that it seeks to offer.

MediaOne has no comment on this item.

251 (d)(3) **Preservation of State Access Regulations**.-- In prescribing and enforcing regulations to implement the requirements of this section, the Commission shall not preclude the enforcement of any regulation, order, or policy of a State commission that--

(A) establishes access and interconnection obligations of local exchange carriers;

(B) is consistent with the requirements of this section; and

(C) does not substantially prevent implementation of the requirement of this section and the purposes of this part.

MediaOne has no comment on this item.

251 (e)(1) **Commission Authority and Jurisdiction**.-- The Commission shall create or designate one or more impartial entities to administer telecommunications numbering and to make such numbers available on an equitable basis. The Commission shall have exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States. Nothing in this paragraph shall preclude the Commission from delegating to State commissions or other entities all or any portion of such jurisdiction.

MediaOne has no comment on this item.

251 (g) **Continued Enforcement of Exchange Access and Interconnection Requirements**.--- On and after the date of enactment of the Telecommunications Act of 1996, each local exchange carrier, to the extent that it provides wireline services, shall provide exchange access, information access, and exchange services for such access to interexchange carriers and information service providers in accordance with the same equal access and nondiscriminatory interconnection restrictions and obligations (including receipt of compensation) that apply to such carrier on the date immediately preceding the date of enactment of the Telecommunications Act of 1996 under any court order, consent decree, or regulation, order, or policy of the Commission, until such restrictions and obligations are explicitly superseded by regulations prescribed by the Commission after such date of enactment. During the period beginning on such date of enactment and until such restrictions and obligations are so superseded, such restrictions and obligations shall be enforceable in the same manner as regulations of the Commission.

MediaOne has no comment on this item.

252 (d)(1) **Interconnection and Network Element Charges** --- Determinations by a State commission of the just and reasonable **rate for the interconnection** of facilities and equipment for the purposes of subsection (c)(2) of section 251, and the just and reasonable **rate for network elements** for purposes of subsection (c)(3) of such section --

(A) shall be ---

(i) **based on the cost** (determined without reference to a rate-of-return or other rate-based proceeding) of providing the interconnection or network element (whichever is applicable), and

(ii) nondiscriminatory, and

(B) may include a reasonable profit.

MediaOne has no comment on this item.

252 (d)(2) **Charges for Transport and Termination** of Traffic ---

(A) In General --For the purposes of compliance by an incumbent local exchange carrier with section 251(b)(5), a State commission shall not consider the terms and conditions for reciprocal compensation to be just and reasonable unless--

(i) such terms and conditions provide for the **mutual and reciprocal recovery by each carrier of costs** associated with the transport and termination on each carrier's network facilities of calls that originate on the network facilities of the other carrier; and

(ii) such terms and conditions determine such costs on the basis of a **reasonable approximation of the additional costs** of terminating such calls.

(B) Rules of Construction. - This paragraph shall not be construed--

(i) to preclude arrangements that afford the mutual recovery of costs through the offsetting of reciprocal obligations, including arrangements that waive mutual recovery (such as bill-and-keep arrangements); or

(ii) to authorize the Commission or any State commission to engage in any rate regulation proceeding to establish with particularity the additional costs of transporting or termination calls, or to require carriers to maintain records with respect to the additional costs of such calls.

MediaOne is currently involved in an ongoing dispute with BellSouth concerning reciprocal compensation for traffic to Internet Service Provider ("ISP"). BellSouth has denied that ISP calls terminated to ISP's connected to MediaOne systems constitute local traffic and has refused to pay invoices from MediaOne for such reciprocal compensation.

MediaOne understands that reciprocal compensation on ISP traffic is currently an issue before the Commission in complaints filed by MFS in Docket No. 8196-U and MCI in Docket No. 6865-U. MediaOne understands that these cases were heard and briefed earlier this year and are currently awaiting decision; however, BellSouth's refusal to pay reciprocal compensation for ISP traffic constitutes a violation of 47 U.S.C. §251(b)(5) and the reciprocal compensation agreement established between MediaOne and BellSouth.

252 (d)(3) **Wholesale Prices** for Telecommunications Services . ---For the purposes of section 251(c)(4), a State commission shall determine wholesale rates on the basis of retail rates charged to subscribers for the telecommunications service requested, excluding the portion thereof attributable to any marketing, billing, collection, and other costs that will be avoided by the local exchange carrier.

MediaOne has no comment on this item.

CONCLUSION

The ongoing service quality problems MediaOne is experiencing and the dispute over reciprocal compensation for ISP traffic demonstrate that BellSouth's SGAT fails to comply with the Telecommunications Act of 1996 with regard to number portability, interconnection, unbundled network elements and reciprocal compensation. The Commission should reject BellSouth's SGAT.

This 22nd day of May, 1998.

Respectfully submitted,

L. Craig Dowdy by WER

L. Craig Dowdy

William E. Rice

For LONG ALDRIDGE & NORMAN LLP
One Peachtree Center
303 Peachtree Street, N.E., Suite 5300
Atlanta, Georgia 30308
(404) 527-4000
Attorneys for MediaOne, Inc.

Dennis R. Lopach
Mark E. Brown
MediaOne, Inc.
2925 Courtyards Drive
Norcross, GA 30071
770-559-2424

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

BELLSOUTH TELECOMMUNICATIONS, INC. STATEMENT OF GENERALLY AVAILABLE TERMS AND CONDITIONS UNDER SECTION 252(F) OF THE TELECOMMUNICATIONS ACT OF 1996	)))))	**DOCKET NO. 7253-U**

APPENDIX A: NEW ALLEGATIONS OR STATEMENT OF FACT

Pursuant to the Commission's Amendatory Procedural and Scheduling Order ("Order") for Comments in the above, signed by the Chairman and Executive Secretary on May 5, 1998, MediaOne is providing this Appendix A as an attachment to its comments regarding BellSouth's Revised Statement of Generally Available Terms and Conditions (SGAT). The Order directs that comments shall cite to the records in certain prescribed dockets and provides that parties may file an Appendix A for factual allegations or statement outside the records of the dockets listed in the Order. Accordingly, MediaOne is filing this Appendix A to provide factual support for quality of service problems experienced by MediaOne that are not reflected in the records for the dockets specified in the Order. The material contained in MediaOne's Appendix A consists of correspondence between MediaOne and BellSouth regarding various ongoing quality of service problems related to interim number portability, interconnection, unbundled network elements and disagreements concerning reciprocal compensation for traffic terminated to Internet Service Provider and pricing of T-1 trunks. The quality of service problems detailed in the attached correspondence are not reflected in the records of the dockets specified in the Order because these are ongoing problems for which significant events occurred after the records in those dockets were closed. Further, MediaOne has not filed formal complaints with the Commission against BellSouth regarding these service quality problems because of assurances from BellSouth that these problems will be corrected; however, MediaOne's dealings with BellSouth subsequent to May 1 of this year indicate that such corrective action on BellSouth's part is not forthcoming or may not prove successful.

The information included in this Appendix A consists of the following letters from MediaOne and BellSouth regarding quality of service problems experienced by MediaOne:

1. Letter from Dennis Lopach, MediaOne, to the Georgia Public Service Commission dated October 28, 1998;

2. Letter from Jack Armitage, MediaOne, to Mark Feidler, BellSouth, dated January 13, 1998;

3. Letter from Scott Schaefer, BellSouth, to Jack Armitage, MediaOne, dated March 11, 1998;

4. Letter from Jack Armitage, MediaOne, to Scott Schaefer, BellSouth, dated May 1, 1998;

5. Letter from Scott Schaefer, BellSouth, to Jack Armitage, MediaOne, dated May 6, 1998; and

6. Letter from Jack Armitage, MediaOne, to Scott Schaefer, BellSouth, Dated May 8, 1998.

MediaOne℠

This is Broadband. This is the way.

October 28, 1997

Chairman Stan Wise
Georgia Public Service Commission
244 Washington St. S.W.
Atlanta GA 30334

Dear Stan:

This letter will provide an update on MediaOne's progress in providing facilities-based competition in the local telephone market. As you are aware, MediaOne is spending hundreds of millions of dollars to upgrade its Atlanta-area cable television network to enable us to provide telephone and data services, in addition to upgraded video service.

MediaOne's recent experience has demonstrated the technical capability of its design. A number of employees are currently receiving telephone service on our hybrid fiber coax facilities at their homes in Gwinnett County. We are collecting data and refining the processes by which we will support telephone service as we prepare for commercial service in the next 30-45 days. Additionally, we are providing dial tone telephone service to three apartment complexes.

While we are comfortable that our technology will support this service, our experience with BellSouth has been less encouraging. We continue to work with BellSouth to resolve a number of issues.

Our concerns focus on three areas. The first of these relates to BellSouth's administration of its circuits, which we lease, and connect to our own fiber optic transmission facilities in order to provide service to our commercial telephone customers. A problem in BellSouth's billing for these circuits had persisted for several months. BellSouth agreed to issue "records only" orders to correct this problem. Through complaints from a number of our customers, we became aware that our business customers were being disconnected. Suspecting a problem with the "records only" process, we registered a trouble report with BellSouth, only to begin a frustrating series of contacts. As customers continued to contact us regarding outages over the next ten days, MediaOne personnel were passed back and forth among BellSouth employees who declined to accept responsibility to address the problem. Efforts to escalate the process were unsuccessful until a call to the legal department finally brought sufficient attention to the problem. MediaOne was left to apologize to its customers for an outage that should never have occurred.

MediaOne recognizes that local competition will inevitably require the development of new processes, followed by familiarization of a host of employees with those processes. We understand that problems will arise and expect them to diminish over time. However, we believe it is essential that BellSouth quickly come to grips with those problems.

2925 Courtyards Drive
Norcross, GA 30071
tel / 770-613-2424
fax / 770-613-2382

Our second concern relates to BellSouth's policy regarding network terminating wire in apartment complexes. BellSouth maintains that the demarcation point between its network facilities and the inside wire within an individual apartment unit is located in each individual unit. This policy requires that MediaOne undertake a special arrangement in each complex in which it wishes to use BellSouth wire to extend service beyond a common "service closet" to a customer's apartment. BellSouth assesses a monthly charge for every unit in the complex whether or not its wire is actually used.

MediaOne has proposed in negotiations that it be allowed access to BellSouth's wire at the service closet so that its technicians can make the necessary connection. This would be consistent with the practice followed by most of the regional Bell companies. MediaOne has offered BellSouth this arrangement where it owns the wire. BellSouth's response has been that this would necessitate a significant policy change and could jeopardize service to its customers.

The apartment market is an important segment of the overall telecommunications market in Atlanta. MediaOne believes that BellSouth's position, if unchanged, could frustrate its ability to successfully compete for these customers.

Our final concern involves BellSouth's electronic interfaces with MediaOne as a facilities-based competitor. Establishing or changing service to a new customer today requires two faxes (for remote call forwarding and a white pages listing) between MediaOne and BellSouth. An electronic E911 interface is in place, but has proven difficult to work. Optional services being secured by MediaOne from BellSouth (Directory Assistance/Operator Services, LIDB and calling party name) require three additional faxes. We believe that the complexity of these "paper" processes will, if not addressed in the near future, substantially impede our ability to provide service to even a moderate volume of customers.

The issues described above have been underscored by our experience in the past month. MediaOne has seen no indication that making local telephone competition in Georgia a reality is among its highest priorities.

Very truly yours,

Dennis R. Lopach

DRL/glh

cc: Commissioner Bobby Baker
Commissioner David Baker
Commissioner Mack Barber
Commissioner Bob Durden

MediaOne℠

This is Broadband. This is the way.

January 13, 1998

Mark Feidler
President, Interconnection Services
BellSouth Telecommunications, Inc.
675 West Peachtree Street, N.E.
Suite 4511
Atlanta, GA 30375

Dear Mr. Feidler:

This correspondence is a follow-up to my recent conversations with you, and in continuance of several discussions my company, MediaOne, Inc., ("MediaOne") has held in recent months with BellSouth operational, legal and public policy representatives. In these meetings, MediaOne has attempted to address significant and long-standing interconnection and network service problems that MediaOne has encountered in connection with its exchange of local traffic with BellSouth. As discussed, these problems already have compromised MediaOne's provision of phone service to thousands of customer lines, and consequently, caused serious harm to MediaOne's customer relationships, business reputation, and ability to effectively enter Georgia's local exchange marketplace.

As you are aware, in recent weeks there has been a large-scale disruption of service on inbound trunking facilities between the BellSouth "Buckhead" tandem and MediaOne. For a new local exchange carrier such as MediaOne, efficient traffic exchange with incumbent carriers lies at the heart of our ability to successfully enter and compete in the Georgia telecommunications marketplace. In addition on January 6, 1998, while still suffering from inadequate inbound trunking from BellSouth, nine MediaOne clients suffered an interruption of service for several hours. The common threads that these nine clients had were 1) they all have chosen to RCF (remote call forward) their telephone numbers from BellSouth to MediaOne and 2) they all are located in the Norcross area. BellSouth operations personnel have yet to give MediaOne a definitive, detailed explanation of the cause of this outage.

The blocking of inbound calls to MediaOne clients is not an isolated occurrence. MediaOne has experienced identical service disruptions on three separate occasions in 1997. As acknowledged by BellSouth operational staff, these disruptions are a direct result of BellSouth's inability to provide requisite trunking facilities to accommodate MediaOne-bound traffic into designated tandems, in spite of MediaOne's submission of

2925 Courtyards Drive
Norcross, GA 30071
tel / 770-613-2424
fax / 770-613-2382

traffic forecasts to BellSouth. Under the terms of our interconnection agreement[1] (executed on July 15, 1996) MediaOne maintains an obligation to accurately and regularly provide traffic forecasts to BellSouth for network engineering purposes. Conversely, BellSouth clearly is obligated to manage its network planning and deployment process to accommodate MediaOne traffic projections at an acceptable level of service. Obviously, an acceptable level of service has not been maintained.

On January 8, 1998, at MediaOne's insistence, members of BellSouth's MediaOne account team and engineering personnel met with us. MediaOne again provided detailed forecasts for anticipated traffic volumes, and received assurances that the network engineering would proceed immediately to ensure that no further inbound traffic blockages occur. While we remain hopeful that this is the case, our recent experience leaves us with little confidence that this will occur.

The inbound trunking problem is a severe impediment to our success in the marketplace. However, other issues are equally as important and continue to block our effective entry into the marketplace. MediaOne has attempted in recent months to work with BellSouth to address these other issues related to our entry into the local exchange market, including

- inappropriate application of federal tariffed prices as opposed to agreed "interconnection rates" for T1 facilities;
- development of a clearly-defined, cost-efficient, and workable procedure for MediaOne access to BellSouth network terminating wire ("NTW") at MDUs;
- inadequate response time in connection with firm-order commitments given by BellSouth on T-1 and other network circuit installation requests; and
- moving current MediaOne/BellSouth interface procedures on network issues from manual to electronic mode

On each issue, MediaOne has made several contacts, and in some cases, met with BellSouth representatives to explain our concerns and seek dialogue to resolve these problems. In each instance, resolution is still pending. Given the significance of these matters, at a minimum, certain additional steps – such as dedicated personnel, comprehensible problem escalation procedures, and a demonstrated willingness to respond to co-carrier inquiries in a timely manner – are essential.

Because of the problems MediaOne has experienced, we believe that a high-level discussion of the interface issues between our companies is appropriate, necessary, and consistent with the mandates of the Federal Telecommunications Act of 1996. MediaOne's attempt to use your designated channels to address these problems has not

---

[1] See, e.g., Section 8.03 of the MediaOne/ BellSouth Interconnection Agreement.

been successful. We hope you will agree that it is to our mutual benefit to establish a workable relationship as quickly as possible. If we are unable to do so, we will not hesitate to use formal avenues to pursue appropriate remedies.

I can be reached at (770) 559-2011. I look forward to talking to you soon.

Sincerely,

Jack Armitage
Vice President
Telephony and Data Services
MediaOne, Inc.

CC: Dave Baker, Commissioner, Georgia Public Service Commission
Robert B. Baker, Commissioner, Georgia Public Service Commission
Mac Barber, Chairman, Georgia Public Service Commission
Bob Durden, Commissioner, Georgia Public Service Commission
Stan Wise, Commissioner, Georgia Public Service Commission
Richard Metzger, Deputy Bureau Chief, Common Carrier Bureau, FCC
Lawrence Strickling, Chief, Competition Division, FCC Office of General Counsel
Brenda Fox, Esq. , Vice President Federal Relations, MediaOne
Dennis Lopach, Esq., MediaOne
Mark Brown, Esq., MediaOne

BELLSOUTH

BellSouth Telecommunications, Inc.
Suite 4511
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

404 927-7020
Fax 404 521-2311

W. Scott Schaefer
President – Interconnection Services

March 11, 1998

Mr. Jack Armitage
Vice President
Telephony and Data Services
MediaOne, Inc.
2925 Courtyards Drive
Norcross, Georgia 30071

Dear Jack:

This is in response to your January 13, 1998, letter to Mark Feidler regarding interconnection and network service issues. Since your letter, Mark has moved to a new position within BellSouth, and I am now President of Interconnection Services. Let me assure you that I am completely familiar with the issues you raise in your letter to Mark. While the recent events have been serious and unfortunate, the events highlight our dependence on each other for providing network reliability to MediaOne's end users. Without good planning, open communications, and timely execution on both our parts, we increase the risk of failure to our end users.

Pursuant to the Interconnection Agreement, MediaOne is required to provide accurate and regular forecasts. After several requests and many months of operation, MediaOne did provide BellSouth a forecast in October 1997. From that forecast, BellSouth designed a trunking plan to support the forecasted level of activity. While admittedly BellSouth fell behind in implementation of reciprocal trunks, given Mindspring's "Holiday Promotion," the trunking plan designed to meet the needs forecasted could not have accommodated the unanticipated surge in traffic. More recently, BellSouth has received new forecasts and appreciates MediaOne's continued commitment to provide regular monthly updates.

Based on the updated forecasts, BellSouth has developed a short term plan to alleviate current traffic congestion. BellSouth has also developed a longer term plan to move a portion of MediaOne's traffic to the East Point Tandem. Based on BellSouth's understanding, MediaOne has approved both plans and implementation has begun.

Our recent experiences with implementing the short term plan highlight the need to understand when MediaOne's switch is undergoing retrofits, what holidays your company observes, and also the need for an escalation procedure within MediaOne so that testing and turn up of new trunks is not delayed. Your account team from BellSouth will champion seeing that these needs are fulfilled. It is my understanding that Rick Abernathy of your staff has been contacted by BellSouth Operations personnel to better understand your switch retrofit procedures as well as to socialize BellSouth's recommended procedure for issuing trouble reports on facilities as well as trunks.

On the other issues outlined in your letter, BellSouth's response is as follows:

- Inappropriate application of federal tariffed prices as opposed to agreed "interconnection rates" for T1 facilities -

  Upon further investigation of this issue, it became apparent that this was a training issue and not a pricing issue. This was resolved in January 1998, by equipping MediaOne people with additional information and training on how to order Unbundled Services.

- Network Terminating Wire (NTW) at multiple dwelling units -

  BellSouth's position is that, in the majority of cases, NTW is part of BellSouth loop facilities on the BellSouth side of the network interface. BellSouth has offered to MediaOne access to NTW as an unbundled network element previously and is ready, willing and able to again attempt to negotiate an arrangement with MediaOne. The proper provisioning mechanism is to place tie cable between BellSouth's terminal and MediaOne's terminal. This will allow MediaOne to gain access to the tie cable pairs which, in turn, will be cross connected to the specific network terminating wire pairs MediaOne acquires from BellSouth.

- Inadequate response time in connection with specific firm order commitments -

  The BellSouth account team will work with MediaOne to investigate this issue and will champion any process improvement initiatives identified through the root cause analysis investigation.

- Moving interfaces from manual to mechanized -

  Although MediaOne subscribes to some of the mechanized interfaces today, BellSouth provided an overview to MediaOne of all BellSouth interface capabilities on January 29th. BellSouth clearly supports MediaOne's move to mechanization.

As I mentioned previously, we can spend our time solving problems together or spend it defending past actions. I urge the former as the best use of both our companies' valuable resources. I believe that the mutual planning which has taken place in January provides us with an excellent foundation to grow our relationship and prevent the problems seen in 1997. Thank you for working with us.

Sincerely,

MediaOne[SM]
This is Broadband. This is the way.

May 1, 1998

Mr. W. Scott Schaefer
President-Interconnection Services
BellSouth Telecommunications, Inc.
675 W. Peachtree Street, NE
Atlanta, GA 30375

Dear Scott:

Thank you for meeting with Greg Braden and me on Wednesday, April 29. We look forward to working with you to resolve the numerous difficulties in MediaOne's relationship with BellSouth. We are anxious to receive the letter that you indicated would be provided by next Wednesday, May 6, concerning the items we discussed that are recapped below. Please fax a copy of your letter to me on 770-559-2030.

Network Terminating Wire In MDU's

By defining network terminating wire as an unbundled network element (UNE) rather than as inside wire, BellSouth has created an operational environment that makes it extremely difficult (if not impossible) for MediaOne to compete in the multi-dwelling unit (MDU) (apartment) market. As I stated on Wednesday, this is not merely a cost but, also an operational burden. BellSouth's position adds unnecessary complexity and delay to our ability to reach an MDU customer, and will make it impossible to implement customer acquisitions in the volumes we expect.

We understand that BellSouth has reviewed this policy and concluded that it is not anti-competitive. We disagreed and requested that you revisit your decision not to treat terminating wire as inside wire.

As we have continually stressed since September, if BellSouth would agree to treat terminating wire as inside wire, the operational complexities for both companies would be eliminated. Further, we have emphasized that virtually all other RBOC's take the position that we are advocating.

2925 Courtyards Drive

Norcross, GA 30071

tel / 770-613-2424

fax / 770-613-2382

While you are reconsidering your policy, MediaOne needs to move forward with our plans to offer telephone service in MDU's. We anticipate entering over 200 MDU's this year, representing at least 40,000 units, with similar or even greater requirements in 1999 and 2000. As discussed, we met with Kim Reid, the BellSouth account manager assigned to MediaOne, and two members of your unbundled element team on April 16 of this year to begin testing BellSouth's network terminating wire operating procedures in a selected MDU. After waiting over a month for this meeting from the time that it was requested, we were most disappointed with the preparedness of your team. Methods and procedures were not available, and a clear understanding of how the process would work or how MediaOne would be charged could not be communicated.

MediaOne was informed in that Wednesday meeting that one of BellSouth's operational issues is that terminating wire is not an inventory item, and that, as a result, BellSouth is uncertain how to process a trouble call. (It is unclear to us how a non-inventoried item can be treated as a network element, and can carry a charge.)

At the April 16 meeting, MediaOne provided Kim Reid with the information needed to bring together a meeting of the two companies' operational people at the selected MDU. We were told that this meeting would take place within five working days, but are still waiting over two weeks later to hear back from Kim. As you must surely understand, we are most anxious to move forward.

Interfaces for Remote Call Forwarding (RCF) and, White Page Listings

MediaOne has experienced virtually continuous problems with your response to our requests for RCF. The process was so unreliable in the earlier "fax environment" that MediaOne was forced to inform its customers that service could not be installed any sooner than seven days out. We are now hopeful that, ~~with~~ our implentation of the long-awaited EDI interface for RCF and White Page Listings, we will be able to shorten our installation interval to three days. The key to ~~our~~ ability to reduce to three days will be BellSouth's agreement to process our orders within 24 hours rather than the current 48 hours. Such an approach would be consistent with the time interval agreed to for LNP, which we understand will begin in September, 1998. We are aware of no constraints that would prevent this accommodation.

(While MediaOne was first told about the EDI interface on November 7, 1997 in a meeting with Mark Feidler, attempts to schedule a meeting to review its use were unsuccessful until January 29, 1998. In early February, we were told by BellSouth and Harbinger to defer deployment until new software was available in early April. I understand your desire to focus on our relationship going forward, but this history helps you understand our frustrations with the way our relationship has unfolded to date.)